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Attorneys for Matthew Pliskin, as Trustee, and
The Trust Board

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
(SAN FERNANDO VALLEY DIVISION)**

In re:
ICPW Liquidation Corporation, a California
corporation,¹
Debtor and Debtor in Possession.

In re:
ICPW Liquidation Corporation, a Nevada
corporation,²
Debtor and Debtor in Possession.

Affects:

- ☒ Both Debtors
- ☐ ICPW Liquidation Corporation, a California
corporation
- ☐ ICPW Liquidation Corporation, a Nevada
corporation

Lead Case No.: 1:17-bk-12408-MB
Jointly administered with:
1:17-bk-12409-MB Chapter 11 Cases

**POST-CONFIRMATION STATUS
REPORT**

HEARING:

DATE: January 24, 2023
TIME: 1:30 p.m.
PLACE: Courtroom "303"
21041 Burbank Boulevard
Woodland Hills, California 91367

**TO THE HONORABLE MARTIN R. BARASH, UNITED STATES BANKRUPTCY
JUDGE:**

¹ Formerly known as Ironclad Performance Wear Corporation, a California corporation.

² Formerly known as Ironclad Performance Wear Corporation, a Nevada corporation.

Matthew Pliskin, the trustee (the “Trustee”), under the trust (the “Trust”) created pursuant to the *Debtors’ and Official Committee of Equity Security Holders’ Joint Plan of Liquidation Dated February 9, 2018* (the “Plan”) [Docket No. 438], and that certain trust agreement dated as of February 28, 2018 (the “Trust Agreement”), entered into by and among the Trustee, ICPW Liquidation Corporation, a California corporation, formerly known as Ironclad Performance Wear Corporation, a California corporation, and ICPW Liquidation Corporation, a Nevada corporation (“ICPW Nevada”), formerly known as Ironclad Performance Wear Corporation, a Nevada corporation, hereby respectfully submits this Post-Confirmation Status Report, pursuant to Rule 3020-1(b) of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California.

Since the filing of the last status report [Docket No. 659], there is only one update that relates to timing of receiving certain “fair funds” from the Security and Exchange Commission (the “SEC”) that will allow the Trustee to make a final distribution and close these cases, as set forth below on page 3.

The Plan

The Plan is a liquidating plan confirmed by entry of an order by this Court on February 13, 2018 (the “Confirmation Order”). [Docket No. 442].

Listing of Claims & Interests and Payments Under the Plan

Class	Creditor(s)	Claim	Plan Payment to Date
Class 1	General Unsecured Claims	\$354,727.26	See Below
Class 2	Class of Shareholders	See Below	See Below
Class 3	Secured Claims	Disputed	Reserve
Class 4	Priority Unsecured Claims	Disputed	Reserve

Class 1

Class 1 consists of general unsecured claims. As indicated in the Plan, prior to the Plan, all non-disputed general unsecured claims were paid by the Debtors with post-petition interest in accordance with prior orders of the Court and the *Order Granting Debtors’ Motion For Authority To Pay Undisputed Pre-Petition Claims Of Solvent Estate And Establishing Protocol*. [Docket No. 345].

On May 29, 2018, the Trustee filed the *Notice of Objection and Objection to Claims in Accordance with Debtors and Official Committee of Equity Security Holders Joint Plan of Liquidation Dated February 9, 2018* (the “Objection”). [Docket No. 582]. The Objection provided that the Trustee (i) disputed the validity and amount of the seven claims listed therein (the “Claimants”) and the enforceability of the claims (the “Claims”) against the estates, (ii) anticipated that any litigation against the Claimants will be commenced in another forum, and (iii) requested disallowance of the Claims after an order is obtained in a different forum. The Trustee filed the Objection in accordance with the Plan and to provide the Claimants with notice that the Trustee disputed the Claims and, thus, no distribution has been made on the Claims.

As of the date of this Status Report, the Trustee has entered into settlement agreements with the Claimants and all other claimants in Class 1.

Class 2

Class 2 consists of the Beneficial Interest Holders (as defined below), who were the equity holders of ICPW Nevada as of the Record Date (*i.e.*, February 12, 2018). Pursuant to the Plan, on February 28, 2018 (the “Effective Date”), the Trust was created and all of the outstanding shares of common stock of ICPW Nevada (the “Common Stock”) existing on the Effective Date were cancelled, and the record holders who owned shares of Common Stock on the Record Date became holders of non-transferable beneficial interests in the Trust in exchange for those shares (“Beneficial Interest Holders”). [Docket No. 438]. The Trust was created for the exclusive benefit of Beneficial Interest Holders, net of claims and expenses payable under the express terms of the Trust. *Id.*

In June 2018, the Trustee sent a letter to Beneficial Interest Holders informing them of an interim distribution to them in the amount of \$7,243,994 (representing \$0.0835/share based upon 86,754,428 total outstanding shares). In August 2019, the Trustee sent a letter to Beneficial Interest Holders informing them of an interim distribution to them in the amount of \$1,698,095. In January 2020, the Trustee sent a letter to Beneficial Interest Holders informing them of an interim distribution to them in the amount of \$1,982,360. In July 2020, the Trustee sent a letter to Beneficial Interest Holders updating them of the status of litigation. In January 2021, the Trustee

1 sent a letter to Beneficial Interest Holders informing them, among other things, that he anticipated
2 making a distribution in March 2021. In April 2021, the Trustee distributed \$2,464,556 to
3 Beneficial Interest Holders. All distributions were made to the Beneficial Interest Holders.

4 The foregoing does not include any recoveries from the “fair funds” from the SEC, which
5 has not been received by the Trust. The Trustee had originally anticipated receiving these funds in
6 the second quarter of 2021, and then again by early 2022, but had received no further update from
7 the SEC regarding the timing of the expected release of funds.

8 Recently, the Trustee’s Counsel corresponded with the SEC regarding the release of the
9 funds, and, on December 19, 2022, the SEC informed the Trustee that the funds have been retrieved
10 from the Treasury and are in the process of being distributed to the Trust. The Trustee provided
11 the SEC with wire instructions and is awaiting receipt of the funds. Once the funds are received,
12 the Trustee will make a final distribution (the “Final Distribution”) and also file a motion for a final
13 decree with the Court.

14 **Class 3**

15 Class 3 consists of the contingent and disputed claim of Radians Wareham Holdings, Inc.
16 (“Radians”). Pursuant to paragraph 26 in the Confirmation Order, on March 12, 2018, the Trustee
17 filed the *Motion to Estimate Claim of Radians Wareham Holding, Inc. for Reimbursement of Legal*
18 *Fees Pursuant to 11 U.S.C. § 502(c)* [Docket No. 473] (the “Estimation Motion”) for purposes of
19 establishing the Class 3 Reserve Fund (as defined in the Confirmation Order). At the hearing on
20 the Estimation Motion, the Trustee and Radians agreed that the Class 3 Reserve Fund should be
21 \$2,300,000 (the “Agreed Class 3 Reserve Fund”), which is reflected in the *Order Granting In Part*
22 *Motion To Estimate Claim Of Radians Wareham Holding, Inc. For Reimbursement Of Legal Fees*
23 *Pursuant To 11 U.S.C. § 502(c)*. [Docket No. 555].

24 On January 29, 2020, the Trustee filed a stipulation [Adv. Docket No. 74] (the “Radians
25 Stipulation”) that explained that the Trust and Radians reached a settlement in their adversary
26 proceeding (the “Radians Settlement”), as discussed below. Pursuant to the Radians Stipulation
27 and Radians Settlement, the parties agreed that the Trustee was no longer obligated to hold the
28 Class 3 Reserve Fund in a segregated trust account and agreed to the release of the Agreed Class 3

1 Reserve Fund in exchange for, among other things, the settlement payment approved by the Radians
2 Settlement. On February 20, 2020, the Court entered an order [Adv. Docket No. 75] approving the
3 Radians Stipulation.

4 **Class 4**

5 Class 4 consists of priority claims, pursuant to 11 U.S.C. §§ 507(a)(3), (4), (5), (6), and (7).
6 The only non-tax priority claims referenced in the Plan are the two priority wage claims in the
7 amount of \$12,850 (the “Cordes and Aisenberg Priority Claims”) filed by Cordes and Aisenberg
8 (the “Former Officers”). Prior to filing the Plan, the Official Committee of Equity Security Holders
9 had filed a complaint against the Former Officers that (i) objected to the claims asserted by the
10 Former Officers in their proofs of claims, and (ii) set forth the claims against the Former Officers
11 seeking damages for pre-petition harm arising from their conduct. [Adv. Proc. No.: 1:18-ap-
12 01011].

13 The Plan classified the disputed claims of the Former Officers as part of Class 4. The Plan
14 provided that a total sum of \$300,000.00 (the “Class 4 Reserve Fund”) would be retained in a
15 segregated trust account, which would be used to pay the Cordes and Aisenberg Priority Claims to
16 the extent allowed by the Court, plus any indemnification claims of the Former Officers to the
17 extent allowed by the Court and not otherwise satisfied by the Debtors’ D&O Insurance. The
18 Former Officers filed an objection to the Plan, which sought a larger reserve. [Docket No. 425].

19 Pursuant to paragraph 26 in the Confirmation Order, the Trustee filed a motion to estimate
20 the disputed claims of the Former Officers for purposes of establishing the Class 4 Reserve Fund.
21 [Docket No. 474]. After briefing and prior to the hearing, the Trustee and the Former Officers
22 reached an agreement, which resulted in the *Order Approving Stipulation On Motion To Estimate*
23 *Claims Nos. 7 And 8 Filed By Jeffrey Cordes And William Aisenberg Pursuant To 11 U.S.C. §*
24 *502(c)* [Docket No. 553] establishing a reserve in the amount of \$546,313.50 in accordance with
25 the Plan.

26 On August 2, 2019, the Trustee filed the *Stipulation of Settlement* [Docket No. 615] (the
27 “Stipulation”) that explained that the Trust and the Former Officers reached a settlement in their
28 arbitration proceeding (the “Settlement”). Pursuant to the Stipulation and Settlement, the parties

1 agreed that the Trustee was no longer obligated to hold the Class 4 Reserve Fund in a segregated
2 trust account. On August 2, 2019, the Court entered an order approving the Stipulation [Docket
3 No. 616].

4 **Post-Confirmation Payment of Taxes**

5 The Trustee paid \$141,597.38 in actual and estimated taxes for the tax years 2016 and 2017.
6 The Trust did not owe taxes for 2018 or any subsequent years.

7 **Projections**

8 The Plan provided that it was being funded from various sources (*e.g.*, remaining estate
9 funds from the sale proceeds, funds in the operating account, monetary recoveries to be obtained
10 by the Trust postpetition, etc.) and not cash derived from the operation of any business by the
11 Debtor.

12 As of December 31, 2021, there were disbursements in the amount of approximately
13 \$19,762,331.104. As of October 19, 2022, the Trust has approximately \$186,749.11, on hand. The
14 Trustee believes that the Trust is current on its payments to the United States Trustee for quarterly
15 fees.

16 **Plan Consummation and Final Decree**

17 Now that the Trustee will receive the funds from the SEC and previously settled the
18 remaining litigation, the Trustee will file a motion for a final decree after the Final Distribution.

19 **Resolution of Litigation**

20 The Plan provides that the Trustee will, among other things, investigate and, if appropriate,
21 pursue all claims and causes of action that belong to the Estates and are assigned to the Trust for
22 the benefit of the Beneficial Interest Holders. [Docket No. 438]. Since the Confirmation Order,
23 and as set forth in prior status reports, the Trustee has analyzed, pursued, and settled certain claims
24 and causes of action, as follows:

- 25 • On April 25, 2018, the Trustee commenced an arbitration proceeding against
26 Thomas Felton, the former Senior Vice President of Supply Chain (the “Felton
27 Arbitration”). In connection with the Former Officers, after extensive briefing and
28 a mediation that did not result in settlement, on July 31, 2018, the Court entered an

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order granting the Trustee's motion to compel arbitration against the Former Officers. [Adv. Proc. No.: 1:18-ap-01011, Docket No. 52]. The Trustee commenced an arbitration that was ultimately consolidated with the Felton Arbitration (the "Consolidated Arbitration"). The Consolidated Arbitration settled for \$2.4 million, plus the release of the Former Officers' shares and claims. The Trustee estimates the settlement had a value of approximately \$2.8 million.

- The Trustee filed a complaint against Robert Goldstein and his company for aiding and abetting breach of fiduciary duty in the United States District Court for the Central District of California, 2:18-cv-09491-FMO-AS, which transferred to the Northern District of Texas. The parties settled the action for a nominal amount.
- On April 26, 2019, the Trustee filed an amended complaint (the "Amended Complaint") against Radians. On January 14, 2020, the Trustee filed a *Notice of Settlement With and Payment to Radians Wareham Holding, Inc.* in the adversary proceeding [Adv. Docket No. 73] and bankruptcy cases [Bankr. Docket No. 624] pursuant to the Trust Agreement. No parties objected to the notice and, on January 29, 2020, the Trustee filed a stipulation [Adv. Docket No. 74] to approve the settlement, which the Court approved [Adv. Docket No. 75] on February 20, 2020.
- The Trustee commenced an arbitration against BDO USA, LLP ("BDO"). The Trustee has settled the BDO arbitration.

Dated: January 10, 2023

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By: /s/Tania M. Moyron
Tania M. Moyron, Counsel
to the Trustee and Trust Board